

Mr. Bryan Turnell
Chairman, Texas Railroad
Commission
Drawer 12567, Capitol Station
Austin, Texas 78711

Dear Mr. Turnell:

By telegram dated May 28, 1971, the Office of Pipeline Safety staid the effective date of a waiver granted by the Commission to the Amoco Gas Company that was to be effective June 1, 1971, (Gas Utilities Docket No.451). The reason for staying the effective date was to obtain additional information relating to the facility in order to evaluate the extent and affect on safety of such a waiver.

Based on the additional information presented, it appears Amoco may have misunderstood the effect of the regulation on their system. Section 192.607 requires that one-half of the work to bring line segments into compliance with Section 192.611 be completed by January 1, 1972, and the other half by January 1, 1973.

When the regulations contained in Part 192 were issued, it was recognized that a significant difference existed between the definitions for class locations in the regulations and those in the interim standards. For this reason, provision was made in Part 192 to give each operator time in which to evaluate his system and to bring it into compliance. Since the effect of the class location definitions and the number of line segments out of compliance with Section 192.611 was not known, the preamble to Part 192 indicated that the dates for compliance might be revised after a public hearing was conducted to determine the effect of the new class location definitions on the industry. A public hearing was held on May 12, 1971, and statistical information and recommendations were presented by the industry. The industry submitted strong testimony in favor of extensions of the period for initial compliance with the change in class location requirements. As a result of the information presented at the hearing, we are currently considering an extension of the time schedule for compliance.

Considering the possible extension of time for compliance to the regulation from which Amoco Gas Company seeks a waiver, it, therefore, seems premature to grant Amoco a waiver. The justification for the waiver, i.e., the immediate effect of deliverability; cost of looping; and cost of retesting the line, may no longer be valid if the extension of time now under consideration should be granted. Therefore, before any further action is taken by OPS on the waiver granted to Amoco

Gas Company, we are recommending that Amoco re-evaluate the effect of the regulations involved and reconsider their request.

If upon further review of the record in this case you should find a waiver is not necessary at this time, you may wish to rescind your action indicating to Amoco why it is being rescinded and that Amoco has the right to request a waiver at a future date.

Please feel free to call on us, if you or Amoco wish to discuss the substantive aspects of the waiver.

Sincerely,

/signed/

Joseph C. Caldwell
Acting Director
Office of Pipeline Safety